(b) if so, the details thereof and Government's response thereto; and

(c) the corrective action proposed to be taken in this regard ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) : (a) No specific complaints relating to rampant corruption have been received by the Vigilance Directorate of the Income Tax Department.

(b) Does not arise.

(c) To counter any malpractices relating to refund claims, the Central Board of Direct Taxes has issued instructions from time to time, for streamlining the procedure. Some such measures include issue of refunds by Registered Post, chronological processing of refund claims etc. Further, the computerisation of Income Tax Department, which is at an advanced stage, will gradually eliminate human intervention.

AMFI Mutual Fund Distributors Test

4111. DR. M.N. DAS : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state :

(a) whether it has been made mandatory to pass AMFI Mutual Fund Distributors test being conducted by NSE otherwise their agency will be terminated; and

(b) if so, what are the details thereof and the reasons for which the commission of agents have been stopped who could not pass the prescribed test and whether Government propose to do away with clause and release commission of all the agents whose agency have been terminated ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL) : (a) With a view to improving the professional standards of the agents, distributors etc. (Intermediaries) in the Mutual Funds industry, SEBI had prescribed on September 25, 2001 that *w.e.f.* November 01, 2001, all Mutual Funds shall appoint only such agents/distributors who have obtained AMFI certification. The objective of the guidelines was that the intermediaries who are involved in selling or distribution of Mutual Fund units should also have the necessary knowledge to guide the investors for making right investment decisions in accordance with there risk profiles.

The existing agents/distributors were expected to pass the certification examination by March 31, 2003, the date which has now been extended by six

more months, *i.e.* upto September 30, 2003. Hence, the agencies of distributors are not required to be terminated.

Further, SEBI has exempted senior citizens from the requirement of passing certification examination.

(b) As mentioned above, the time period allowed for existing intermediaries to get registered has already been extended by six months beyond the originally prescribed time period of one and half years. It is expected that the remaining intermediaries willing to continue distribution/selling of units of Mutual Funds would be able to pass the certification examination by the extended date and the situation of stopping commissions may not arise.

Income-Tax rebate for dependents

4112. Dr. M.N. DAS : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to refer to the answer to Unstarred Question 1997 given in Rajya Sabha on 10th December, 2002 and state :

(a) whether it is a fact that rebate is available under section 80-DD of the Income Tax Act for the dependent family member of the Government servant;

(b) if so, the reason for which the rebate is available only for one dependent irrespective of the number of dependent; and

(c) whether Government propose to remove the anomaly and give benefit for the number of actual handicapped dependent?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI GINGEE N. RAMACHANDRAN) : (a) Yes, Sir. Section 80-DD of the Income-tax Act provides for a deduction from taxable income towards medical treatment including maintenance and rehabilitation of a handicapped dependent of any taxpayer.

(b) The tax concession is not linked with the number of dependents and a flat deduction of Rs. 40,000/- is available irrespective of the number of handicapped dependents.

(c) The proposal was examined during the Budget exercise 2003, but was not found feasible. However, the overall quantum of deduction under section 80-DD is proposed to be increased to Rs. 50,000/- and an enhanced deduction of Rs. 75,000/- is proposed to be provided in cases where the dependent is a person with severe disability.